

STITES & HARBISON

ATTORNEYS

March 12, 2003

Thomas M. Dorman
Executive Director
Public Service Commission of Kentucky
211 Sower Boulevard
P.O. Box 615
Frankfort, Kentucky 40602-0615

RE: *P.S.C. Case 2002-00475*

Dear Mr. Dorman:

Enclosed please find the response of Kentucky Power Company d/b/a American Electric Power to Item 10A of the Staff's Supplemental Data Requests. This completes American Electric Power's responses to the data requests.

Very truly yours,


Mark R. Overstreet

421 West Main Street
Post Office Box 634
Frankfort, KY 40602-0634
(502) 223-3477
(502) 223-4124 Fax
www.stites.com

Mark R. Overstreet
(502) 209-1219
moverstreet@stites.com

RECEIVED

MAR 12 2003

PUBLIC SERVICE
COMMISSION

KE057:KE157:8867:FRANKFORT

RECEIVED

MAR 12 2003

PUBLIC SERVICE
COMMISSION

KPSC Case No. 2002-00475
Supplemental Data Requests
Order Dated February 28, 2003
Item No. 10
Page 1 of 1

Updated and Filed March 12, 2003

**Kentucky Power
d/b/a
American Electric Power**

REQUEST

Refer to the response to Staff's initial request, Item 9(a), which indicates that KPCO's customers will benefit due to AEP having access to 153,000 MW of generation in the PJM region.

- a. Provide a comparison of KPCO's and AEP's generation costs with those of utilities in the PJM region.
- b. Is it AEP's position that benefits will accrue to KPCO customers because they will have access to less expensive power in the PJM region? Explain the response in detail.

RESPONSE

- a) Attached is a comparison of generation costs compiled from the Platts Powerdata Database for the years 1998 through 2001.
- b) See Company's original response filed March 7, 2003.

WITNESS: J Craig Baker

Updated and Filed March 12, 2003

Data Obtained From Platt's POWERdata Database

	Production Costs \$/MWh (a)			
	1998	1999	2000	2001
<u>AEP-East Companies</u>				
Appalachian Power Co.	17.28	16.73	15.62	17.56
Columbus Southern Power Co.	17.66	18.35	17.46	18.96
Indiana Michigan Power Co.	37.48	41.80	42.07	20.83
Kentucky Power Co.	13.24	12.61	13.73	12.45
Ohio Power Co.	19.84	19.59	21.45	20.59
	Production Costs \$/MWh (a)			
	1998	1999	2000	2001
<u>PJM Companies</u>				
Allegheny Energy Supply Company	-	14.85	13.17	16.41
Atlantic City Electric Co.	29.53	28.16	30.70	57.38
Baltimore Gas & Electric Co.	18.79	18.93	19.57	- (b)
Constellation Power Source, Inc.	-	-	-	16.06
Delmarva Power & Light Co.	26.71	27.48	30.96	33.12
Jersey Central Power & Light Co.	27.34	24.67	34.23	- (c)
Metropolitan Edison Co.	20.22	20.39	-	- (d)
Pennsylvania Electric Co.	16.19	16.84	-	- (d)
Reliant Resources Inc.	-	-	20.73	21.98
PECO Energy Company	20.38	20.47	19.28	- (e)
Exelon Generation Co., LLC.	-	-	-	16.33
Potomac Electric Power Company	21.65	21.36	23.41	- (f)
PPL Electric Utilities Corporation	19.15	19.34	19.78	-
PPL Generation LLC.	-	-	-	16.36
Public Service Electric and Gas Company	25.72	25.24	23.22	-
PSEG LLC. (Fossil, Nuclear)	-	-	-	20.65

- Notes: (a) Production Cost (\$/MWh) is calculated by dividing total production cost by generation.
(b) Baltimore Gas and Electric Co.'s generating units became part of Constellation Power Source, Inc.
(c) Jersey Central Power & Light acquired by FirstEnergy Corp.
(d) Most of Metropolitan Edison Co. and Pennsylvania Electric Co.s' generating units were sold to Reliant Resources, Inc.
(e) PECO Energy Co. generating units became part of its unregulated affiliate, Exelon Generation Co.
(f) Potomac Electric Power Co.'s generating units were sold to Mirant Corp.in late 2000.